

Considering Discount Plans



This handout is designed to help you assess available options. It does not imply endorsement of any option by the **Statewide Health Insurance Benefits Advisors (SHIBA) HelpLine** or the **Office of the Insurance Commissioner (OIC)**.

What to Consider When Looking at “Discount Plans”

As health care and prescription drug costs have become less affordable for many individuals, so-called *discount plans* have become common in the marketplace. Many consumers have questions regarding these plans.

Discount plans for health care and prescription drug services are not considered insurance, and currently are not regulated by the Office of the Insurance Commissioner (OIC). The OIC does not impose the requirements of the Insurance Code and its associated regulations on plans that provide consumers with price reductions or discounts to the amounts ordinarily charged for certain goods and/or services.

Complaints and inquiries regarding discount plans are handled by the Office of the Attorney General.

Some important things to consider when evaluating the costs and benefits of a discount plan are:

- If you already have insurance, how does the discount plan add value?
- How long has the plan been in business?
- Where is the plan's corporate office located? (You may need to resolve a complaint or other issue with authorities in the State in which the corporation originates.)
- How do you contact the corporate office?
- What methods are provided to settle a dispute?
- What is the enrollment fee?
- What is the monthly fee?
- Are there any other costs of the program?

continued →

- Is the discount applied at the time of service/purchase? (In other words, how does this affect your provider's billing service and your timely reimbursement for pre-paid charges?)
- How do you know the fee will not increase or the discount change?
- Is there a minimum enrollment time?
- How do you cancel enrollment?
- Does your provider (pharmacy, physician, and hospital for example) accept the discount card? (Be sure to check with your provider(s). The information given by the plan is sometimes inaccurate.)
- Can you obtain the same savings without the card?
- Will your personal information be disclosed to other parties?
- What other options are available to you?
- Does the plan provide you with documentation detailing exactly what coverage you are purchasing?

Consumers considering enrolling in a discount plan may also want to check with the Washington State Attorney General to see if there are complaints or concerns on record regarding the specific plan.

Attorney General (800) 551-4636

www.wa.gov/ago/

SHIBA HelpLine

Get assistance from trained counselors when making health insurance choices. For more information about these and other health insurance questions, call Statewide Health Insurance Benefits Advisors (SHIBA) HelpLine.

SHIBA is a **free**, confidential, impartial counseling resource sponsored by the Office of the Insurance Commissioner to help you evaluate, choose and use your health insurance.

Volunteer advisors, extensively trained by Insurance Commissioner Mike Kreidler's staff, have up-to-date information on all health insurance concerns.

Your local SHIBA HelpLine volunteer can help you get more information on companies, evaluate a policy or do side-by-side policy comparisons, answer questions, and educate you on a wide range of health insurance issues.

To be referred locally call:

800-397-4422



with questions, comments, complaints about all lines of insurance (auto, life, home, health disability, etc.) agents, companies or practices CALL:

**INSURANCE COMMISSIONER'S
TOLL-FREE CONSUMER HOT LINE
(800) 562-6900**